

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF RUDOLPH ) APPEAL NO. 07-A-2287  
RIVERA HERNANDEZ from the decision of the ) FINAL DECISION  
Board of Equalization of Bonner County for tax year ) AND ORDER  
2007. )

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing in Sandpoint, Idaho before Board Member Linda S. Pike. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Rudolph Rivera Hernandez appeared. Assessor Jerry Clemons, Appraisers Jennifer Clevenger and Missie Scott appeared for Respondent Bonner County. This appeal is taken from a decision of the Bonner County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. RP0055700020A0A.

**The issue on appeal is the market value of a residential property, specifically the value attributable to the land.**

**The decision of the Bonner County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$535,600, and the improvements' valuation is \$247,750, totaling \$783,350. Appellant requests the assessed land value be reduced to \$487,295, and the improvements' value remain at \$247,750 totaling \$735,045.

Subject includes 146 feet of frontage on the south side of the Pend Oreille River in Swan Shores Subdivision. The property does not front directly on the river but is considered slough frontage. A residence is included on the site, however, the assessed value is not in dispute.

Appellant maintained two neighboring properties had more river frontage and more acreage than subject, however were assessed for less.

The Taxpayer submitted an exhibit which outlined the comparison of subject land to the

neighboring properties and disagreed with the County's method of assessing land based on water front only. Appellant believed the additional acreage behind the waterfront also had value, whereas the County's methodology determined the additional acreage had no value.

The taxpayer explained the BOE lowered the assessed land value to account for subject having less waterfront, however, did not make the full reduction to account for subject having less acreage than neighboring properties.

Appellant compared subject and the two adjacent properties as follows:

Address	Size in Acres	Land Only Assessed Value	Water-Front Footage	Value per waterfront foot
Subject 289 Swan Shores Drive	.360	\$535,600	146	\$3,668
231 Swan Shore Drive	.618	\$546,004	150	\$3,640
261 Swan Shore Drive	.529	\$573,652	156	\$3,677

Appellant maintained a new method of appraisal should be implemented that reduces the waterfront value and adds value for the remaining acreage of a lot.

Respondent stated a data entry error was discovered in both of the neighboring properties. The Appraiser explained the two parcels were re-platted and were not trended like the rest of the neighborhood. The error was not in the frontage, but was missed in the trending, which would have made the assessed values between the three properties uniform. To rectify the problem for the current year, the price per front foot of subject land was reduced by the BOE.

The Assessor explained often times there are no sales in an individual neighborhood. However, market value still must be determined so sales from other areas are analyzed. The Assessor also explained waterfront property is valued by the front foot. Respondent presented sales and location maps to demonstrate values. The most similar sale to subject was within ½ mile and sold for \$470,000 or \$4,486 per front foot. The frontage of the sale was also considered

slough frontage. Two similar riverfront sales were submitted. The sales took place in 2006 and the front footages were 100 and 114 feet. The sale prices were \$845,000 and \$895,000, and the indicated prices per front foot were \$8,839 and \$7,207, respectively.

Three additional sales were offered by Respondent, which were described as “slough frontage.” These 2006 sales ranged from \$375,000 to \$415,000 for 100 to 127 front feet. The indicated price ranged from \$3,261 to \$3,720 per front foot.

Respondent addressed Appellants Exhibit 1, page 1 of 2, (included in the table on page 2). The Appraiser explained the assessed values recorded by Appellant include the land and improvements, not just the land value. The water frontage for lot 17 is not 150 feet, as portrayed in the table, but 100.05, according to the County’s cad map. The front footage for Lot 19, according to the County record, is not 156, but 105.26 feet.

Appellant disagreed with the amount of frontage the two neighboring properties had. Appellant maintained the neighboring property owners purchased a vacant lot that was located between their lots and split it, adding approximately 50 feet of frontage to each ownership. Appellant added the 50 feet to the 100+ original water frontage for each of the ownerships to arrive at the total frontage represented in the table. Appellant maintained the re-platting was done about a year ago and subject and neighboring lots have about the same amount of water frontage.

Respondent addressed the water frontage, and maintained the County records accurately reflected the frontage for the parcels. The maps are updated continuously, and the front footage numbers are the ones the Assessor considered in estimating the front foot values. The Assessor believed the front footages of the neighboring parcels were correct, but stated the matter would be investigated. If it is discovered the frontages are larger on the two neighboring lots,

adjustments will be made to the assessed values.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

There are two issues in this case. First, the market value of the subject property and the front footage involved in the assessment of subject and two neighboring properties.

Appellant maintained subject is over-assessed and not equitable with neighboring properties. Appellant provided no sales to support a reduction in the assessed value. Appellant did offer that a different methodology for assessment of waterfront lots should be implemented to recognize the inherent value in the acreage behind the waterfront, instead of just waterfront.

Idaho Code describes the market value that must be reflected in assessed values.

**Idaho Code § 63-201. Definitions --**

(10) "Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The Assessor offered several sales, which supported the assessed value per front foot of subject. All the sales took place in 2006, which is the best indicator of the value of subject on the January 1, 2007 lien date. The Board notes here that the unit of comparison, be it square foot, front foot or otherwise, is not statutorily described. However, any analysis of sales must include a unit of comparison. In this case, the County has explained the most meaningful unit of comparison for waterfront property is the price per front foot which is a typical consideration

by buyers of waterfront property.

There was no dispute concerning the amount of front footage subject property contained. However, there was uncertainty about the proper frontage of two neighboring lots. Appellant maintained the proper amount of frontage was not assessed to the neighboring lots; in essence over estimating the assessed value of subject in comparison. At hearing, the County noted it would research the footage claim to determine if the footage was correct.

Under these circumstances, we affirm the decision of the Bonner County Board of Equalization.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed .

MAILED April 30, 2008